

Message Text

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ACTION COME-00

INFO OCT-01 EUR-12 IO-10 ISO-00 FEA-01 AGR-10 CEA-01

CIAE-00 DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15

STR-04 TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

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FM AMEMBASSY NICOSIA

TO SECSTATE WASHDC 2012

INFO USMISSION GENEVA

UNCLAS NICOSIA 2269

GENEVA FOR MTN DELEGATION

E. O. 11652: N/A

TAGS: ETRD CY

SUBJECT: MTN: EXPORT RESTRICTIONS - CYPRUS

REF: STATE 146681

1. EXPORT RESTRUCTIOND DESCRIBED THIS CABLE REGARD ONLY GOC-CONTROLLED SOUTH. NO INFO AVAILABLE ON EXPORT CONTROLS IN TURKISH NORTHERN PART OF ISLAND.

2. GOC CONTROLS ARE BASICALLY DESIGNED FOR ONE OF TWO PURPOSES: (A) TO CONTROL INTERNAL PRICES OF FOOD-STUFFS AND ENSURE AVAILABLE FOR LOCAL CONSUMER NEEDS AND (B) TO RESTRICT EXPORT OF MINERALS AND OTHER PRODUCTS TO ENSURE LOCAL AVAILABILITY OF GOODS FOR GOC INDUSTRIAL DEVELOPMENT PROGRAM.

3. MINISTRY OF COMMERCE AND INDUSTRY HAS BLANKET AUTHORITY TO CONTROL OR OTHERWISE RESTRICT EXPORTS
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THROUGH ITS EXPORTS LICENSING AUTHORITY. EMBASSY

IS UNAWARE OF ANY CASES WHERE EXPORT CONTROLS (A) WERE APPLIED DISCRIMINATORILY AGAINST SPECIFIC COUNTRIES, (B) DISTORTED BASIC FOREIGN TRADE PATTERNS, OR (C) HAD ADVERSE EFFECT ON US-CYPRUS TRADE.

4. REQUESTS FOR MINERAL EXPORT LICENSES HAVE NEVER BEEN DENIED. NO EXPORT TAXES ARE APPLIED ALTHOUGH ROYALTIES ON FOB VALUES FROM 1 PERCENT ON CRUSHED LIMESTONE TO 3 PERCENT ON ASBESTOS ARE COLLECTED.

5. SINCE SECOND HALF 1973 AND FIRST HALF 1974 EXPORT CONTROL MEASURES HAVE BEEN ENFORCED FOR TIMBER, CEMENT, MEATS, DRY LEGUMES, OLIVE PRODUCTS AND CAROBS. RESTRICTIONS WERE IMPOSED TO FIGHT LOCAL PRICE RISES OF BOTH CONSTRUCTION MATERIALS AND FOODS.

6. GOC ECONOMIC REACTIVATION PLAN SOON TO BE ANNOUNCED MAY INCLUDE PROVISIONS FOR (A) ENCOURAGING LOCAL INDUSTRY TO EXPAND INTO MINERAL PROCESSING, AND (B) LOCAL PRODUCTION OF PRODUCTS USING LOCALLY AVAILABLE MINERALS (EG. PRODUCTION OF ASBESTOS-CEMENT PIPES). IT IS POSSIBLE GOC MAY LATER INSTITUTE STRICT EXPORT RESTRICTIONS IN ORDER TO ENCOURAGE LOCAL UTILIZATION OF MINERALS BY OWN INDIGENOUS INDUSTRY OR ENCOURAGE PRIMARY AND/OR SECONDARY PROCESSING/REFINING FOR SUBSEQUENT EXPORT OF PRODUCT WITH HIGH VALUE-ADDED.

7. DE FACTO EXPORT CONTROLS FOR WHEAT AND BARLEY RESULT FROM FACT ALL SALE OF SUCH COMMODITIES BY PRODUCER MUST BY LAW BE EFFECTED THROUGH THE GRAINFACOMMISSION WHICH IN TURN DECIDES LEVEL OF LOCAL NEEDS AND DESIRED EXPORT LEVELS. WHILE CYPRUS IS NET IMPORTER OF WHEAT AND BARLEY, EXPORTS OF THESE COMMODITIES ARE DURUM AND SEEDS RESPECTIVELY WHEN SIZE OF LOCAL HARVEST PERMIT EXPORT OF SURPLUS. CONTROLS IN THESE CASES ARE MOTIVATED BY DESIRE TO MAINTAIN DOMESTIC SUPPLIES IN CASE OF SHORTAGES.

8. REFTTEL PARA 3 (E), FOR CYPRUS, REASONS FOR INTRODUCTION OF EXPORT CONTROL MEASURES, NUMBER UNCLASSIFIED

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(1), (2), AND (3) ARE APPLICABLE OR CAN BE EXPECTED TO BE APPLIED IN FUTURE AS SITUATION WARRANTS. CRAWFORD

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